

ATTACHMENT 4

ADOPTED CHANGES TO GENERAL ORDER 167

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R.02-11-039

**ADOPTED CHANGES TO
GENERAL ORDER 167**

SUMMARY:

The adopted changes to the General Order (GO) are:

1. Add Generator Operation Standards (GO §§ 2, 3, 8, 15, Appendices E, F).
2. Clarify role of Guidelines (GO §§ 7, 8).
3. Make Maintenance Standards parallel to Operation Standards (GO §§ 7, 8).
4. Clarify the expiration of General Duty Standards (GO § 4).
5. Clarify effective dates (GO §§ 4, 15).
6. Correct prior errors (GO §§ 1.0, 15.1.1, 15.8).
7. Change order of Appendices to follow order of Sections in GO, and correct references to Appendices within the GO (GO §§ 2.11, 13.3.2, 13.3.4, 14.4).

To do this, specific changes are adopted in the following sections:

Section 1:	Purpose
Section 2:	Definitions
Section 3:	Required Compliance
Section 4:	General Duty Standards
Section 7:	Generator Maintenance Standards
Section 8:	Generator Operation Standards
Section 13:	Commission Proceedings
Section 14:	Sanctions
Section 15:	Miscellaneous Provisions
Appendix C:	Generator Logbook Standards (Hydroelectric Energy)
Appendix D:	Maintenance Standards
Appendix E:	Operation Standards
Appendix F:	Fines for Specified Violations

SPECIFIC CHANGES:

SECTION 1: PURPOSE

The purpose of this General Order is to implement and enforce standards for the maintenance and operation of electric generating facilities and power plants so as to maintain and protect the public health and safety of California residents and businesses, to ensure that electric generating facilities are effectively and appropriately maintained and efficiently operated, and to ensure electrical service reliability and adequacy. The General Order provides a continuing method to implement and enforce General Duty Standards for Operations and Maintenance, Generator Maintenance Standards (Maintenance Standards), Generator Operation Standards (Operation Standards), and any other standard adopted pursuant to Public Utilities Code § 761.3 (Chapter 19 of the Second Extraordinary Session of 2001-02 (SBX2 39, Burton *et al.*). The General Order also provides a means to enforce the protocols for the scheduling of power plant outages of the California Independent System Operator. The General Order is based on the authority vested in the California Public Utilities Commission by the California Constitution; California statutes and court decisions; prior Commission decisions and orders; and federal law including, but not limited to, the Federal Power Act, 16 U.S.C. § 791 *et seq.*, and section 714 of the Energy Policy Act of 1992, 16 U.S.C. § 824(g). Nothing in this general order diminishes, alters, or reduces the Commission's existing authority to inspect power plants and to request data from those power plants to assure continued maintenance and operation of the facilities in order to support public safety and the reliability of California's electricity supply.

SECTION 2: DEFINITIONS

- 2.1 “Active Service” means the status of an electric generating unit that is interconnected, is capable of operating in parallel with the electricity grid, and has achieved commercial operation.
- 2.11 “Generator Logbook Standards (Hydroelectric Energy)” means the “Logbook Standards for Hydroelectric Generating Facilities,” adopted by the Committee on April 7, 2004, and filed with the Commission on April 14, 2004. The Generator Logbook Standards (Hydroelectric Energy) are set forth as Appendix C to this General Order. “Generator Logbook Standards (Hydroelectric Energy)” also includes any subsequent amendments or revisions to those standards.
- 2.13 “Generator Maintenance Standards” means the Maintenance Standards in the “Maintenance Standards for Generators with Suggested Implementation and Enforcement Model” adopted by the Committee on May 2, 2003, and filed with the Commission on May 16, 2003. The Generator Maintenance Standards are set forth as Appendix D to this General Order. “Generator Maintenance Standards” also includes any subsequent amendments or revisions to those standards.
- 2.14 “Generator Operation Standards” means the Operation Standards in the “Operations Standards for Generating Asset Owners” adopted by the Committee on October 27, 2004, and filed with the Commission on November 1, 2004. The Generator Operation Standards are set forth as Appendix E to this General Order. “Generator Operation Standards” also includes any subsequent amendments or revisions to those standards.
- 2.15 “Initial Certification” means the first document filed by a Generating Asset Owner for a specific Generating Asset certifying that the Generating Asset Owner has adopted and is implementing a Maintenance Plan for that Generating Asset as required by Section

7.0 of this General Order, or an Operation Plan for that Generating Asset as required by Section 8.0.

SECTION 3: REQUIRED COMPLIANCE

- 3.3 Medium Facilities. Generating Assets of one megawatt or larger but smaller than 50 megawatts are exempt from Generator Logbook Standards (Hydroelectric Energy), Generator Logbook Standards (Thermal Energy), Generator Maintenance Standards, and Generator Operation Standards. Accordingly, such Generating Assets are subject to all requirements of this General Order except for sections 5, 6, 7, and 8. Notwithstanding these exemptions, such facilities must follow prudent practices as required by sections 5.2, 6.2, 7.4 and 8.4.
- 3.5 Hydroelectric Facilities. Hydroelectric facilities licensed by the Federal Energy Regulatory Commission are exempt from Sections 7.0, 8.0, 9.0, 10.3, 10.4 and 15.1.

SECTION 4: GENERAL DUTY STANDARDS

- 4.3 Section 4.0 ceases to be applicable on and after _____ [e.g., December 19, 2004; the date inserted here will be the effective date of the changes to GO 167 implementing and enforcing Operation Standards pursuant to Commission decision; it is 3 days after the decision is mailed and, if mailed on December 16, 2004, will be December 19, 2004]. General Duty Standards have been incorporated as necessary and appropriate for (a) facilities 50 megawatts and larger in the specific Maintenance and Operation Standards (Sections 7.0 and 8.0 along with Appendices D and E), and (b) medium facilities in Items 5.2, 6.2, 7.4 and 8.4.

SECTION 7: GENERATOR MAINTENANCE STANDARDS

7.0 GENERATOR MAINTENANCE STANDARDS

7.1 Applicability of Standards. All Generating Asset Owners shall maintain their Generating Assets in compliance with the Generator Maintenance Standards. Guidelines on how a Generating Asset Owner may comply are available from CPSD.

7.2 Maintenance Plan.

7.2.1. Contents. A Maintenance Plan is a paper or electronic document that shows how the Generating Asset Owner's maintenance practices and policies comply with each Maintenance Standard for each Generating Asset. The Maintenance Plan may be in the form of a narrative, index, spreadsheet, database, web site, or other form. The Maintenance Plan shall specifically identify the procedures and criteria that are used to comply with each Maintenance Standard. Existing equipment manuals, checklists, warranty requirements, and other documents may be identified to demonstrate compliance. If any of these documents are contradictory, the Maintenance Plan should resolve the contradiction. Where the Generating Asset Owner's maintenance does not satisfy a Maintenance Standard, the Maintenance Plan shall show how and when maintenance will be brought into compliance.

7.2.2. Availability. The current Maintenance Plan for each Generating Asset will be available in the vicinity of each Generating Asset or, in the case of a plant or facility with multiple Generating Assets, in the central business office located at that plant or facility. Upon CPSD's request, a Generating Asset Owner shall submit the current Maintenance Plan (or requested portion thereof) to CPSD in the manner specified in subsection 15.2 of this General Order.

7.2.3. Initial Certification. The Generating Asset Owner shall file an Initial Certification with CPSD that certifies either:

7.2.3.1. Compliance. The Generating Asset Owner has adopted and is implementing a Maintenance Plan that complies with all Generator Maintenance Standards, or

7.3.1.2. Noncompliance. The Generating Asset Owner has (a) identified and documented deficiencies in its maintenance practices and policies, and (b) adopted a course of corrective actions that is reasonably designed to achieve compliance with the Generator Maintenance Standards within 180 days of the date of Initial Certification.

7.2.4. Filing Date for Initial Certification.

7.2.4.1. Asset in Active Service. For each Generating Asset in Active Service on the effective date of Section 7.0 of this General Order, the Generating Asset Owner shall file the Initial Certification within 45 days of the effective date of this section of the General Order.

7.2.4.2. Other Assets: For each Generating Asset placed in Active Service after the effective date of Section 7.0 of this General Order, the Generating Asset Owner shall file the Initial Certification within 90 days of the Generating Asset being placed in Active Service. When a Generating Asset Owner acquires a Generating Asset from an existing Generating Asset Owner, the new owner shall file its Initial Certification within 90 days of the effective date of the transfer of title or within 90 days of the transfer of possession, whichever date is later.

7.3. Maintenance Plan Summary.

7.3.1. Contents. A Maintenance Plan Summary is a paper or electronic document that summarizes the Maintenance Plan. It shall summarize how the Generation Asset Owner's maintenance complies with each Maintenance Standard. It shall be in the format and include the content elements specified by the Commission's Executive Director. Where the Generating Asset Owner's maintenance does not satisfy a Maintenance Standard, the Maintenance Plan Summary shall summarize how and when maintenance will be brought into compliance.

7.3.2. Filing Date.

7.3.2.1. Initial Filing for Assets in Active Service. For each Generating Asset in Active Service, the Generating Asset Owner shall file a Maintenance Plan Summary with CPSD within 120 days of the date the Executive Director specifies the contents and format.

7.3.2.2. Other Assets: For each Generating Asset placed in Active Service after the effective date of Section 7.0 of this General Order, the Generating Asset Owner shall file the Maintenance Plan Summary at the same time as it files its Initial Certification. When a Generating Asset Owner acquires a Generating Asset from an existing Generating Asset Owner, the new owner shall file its Maintenance Plan Summary at the same time it files its Initial Certification.

7.3.2.3. Updates. The Maintenance Plan Summary shall be updated and refiled with CPSD every other year pursuant to a schedule to be determined by CPSD.

7.4. Exemption. Generating Assets smaller than 50 megawatts are exempt from the entirety of Section 7.0. Notwithstanding this exemption, generating assets one megawatt or larger and smaller than 50 megawatts are required to observe the following requirements:

7.4.1. Each facility shall be operated in a safe, reliable, and efficient manner that reasonably protects the public health and safety of California residents, businesses, and the community.

7.4.2. Each facility shall be operated so as to be reasonably available to meet the demand for electricity, and promote electric supply system reliability, in a manner consistent with prudent industry practice.

7.4.3. Each facility shall be operated in a reasonable and prudent manner consistent with industry standards while satisfying the legislative finding that each facility is an essential facility providing a critical and essential good to the California public.

SECTION 8: GENERATOR OPERATION STANDARDS

8.0 GENERATOR OPERATION STANDARDS

8.1 Applicability of Standards. All Generating Asset Owners shall operate their Generating Assets in compliance with the Generator Operation Standards. Guidelines on how a Generating Asset Owner may comply are available from CPSD.

8.2 Operation Plan.

8.2.1. Contents. An Operation Plan is a paper or electronic document that shows how the Generating Asset Owner's operation practices and policies comply with each Operation Standard for each Generating Asset. The Operation Plan may be in the form of a narrative, index, spreadsheet, database, web site, or other form. The Operation Plan shall specifically identify the procedures and criteria that are used to comply with each Operation Standard. Existing equipment manuals, checklists, warranty requirements, and other documents may be identified to demonstrate compliance. If any of these documents are contradictory, the Operation Plan should resolve the contradiction. Where the Generating Asset Owner's operation does not satisfy an Operation Standard, the Operation Plan shall show how and when operation will be brought into compliance.

8.2.2. Availability. The current Operation Plan for each Generating Asset will be available in the vicinity of each Generating Asset or, in the case of a plant or facility with multiple Generating Assets, in the central business office located at that plant or facility. Upon CPSD's request, a Generating Asset Owner shall submit the current Operation Plan (or requested portion thereof) to CPSD in the manner specified in subsection 15.2 of this General Order.

8.2.3. Initial Certification. The Generating Asset Owner shall file an Initial Certification with CPSD that certifies either:

8.2.3.1. Compliance. The Generating Asset Owner has adopted and is implementing an Operation Plan that complies with all Generator Operation Standards, or

8.2.3.2. Noncompliance. The Generating Asset Owner has (a) identified and documented deficiencies in its operation practices and policies, and (b) adopted a course of corrective actions that is reasonably designed to achieve compliance with the Generator Operation Standards within 90 days of the date of Initial Certification.

8.2.4. Filing Date for Initial Certification.

8.2.4.1. Asset in Active Service. For each Generating Asset in Active Service on the effective date of Section 8.0 of this General Order, the Generating Asset Owner shall file the Initial Certification within 90 days of the effective date of this section of the General Order.

8.2.4.2. Other Assets: For each Generating Asset placed in Active Service after the effective date of Section 8.0 of this General Order, the Generating Asset Owner shall file the Initial Certification within 90 days of the Generating Asset being placed in Active Service. When a Generating Asset Owner acquires a Generating Asset from an existing Generating Asset Owner, the new owner shall file its Initial Certification within 90 days of the effective date of the transfer of title or within 90 days of the transfer of possession, whichever date is later.

8.3 Operation Plan Summary.

8.3.1. Contents. An Operation Plan Summary is a paper or electronic document that summarizes the Operation Plan. It shall summarize how the Generation Asset Owner's operation complies with each Operation Standard. It shall be in the format and include the content elements specified by the Commission's Executive Director. Where the Generating Asset Owner's operation does not satisfy an Operation Standard, the Operation Plan Summary shall summarize how and when operation will be brought into compliance.

8.3.2 Filing Date.

8.3.2.1. Initial Filing for Assets in Active Service. For each Generating Asset in Active Service, the Generating Asset Owner shall file an Operation Plan Summary with CPSD within 120 days of the date the Executive Director specifies the contents and format.

8.3.2.2. Other Assets: For each Generating Asset placed in Active Service after the effective date of Section 8.0 of this General Order, the Generating Asset Owner shall file the Operation Plan Summary at the same time as it files its Initial Certification. When a Generating Asset Owner acquires a Generating Asset from an existing Generating Asset Owner, the new owner shall file its Operation Plan Summary at the same time it files its Initial Certification.

8.3.2.3. Updates. The Operation Plan Summary shall be updated and refiled with CPSD every other year pursuant to a schedule to be determined by CPSD.

8.4. Exemption. Generating Assets smaller than 50 megawatts are exempt from the entirety of Section 8.0. Notwithstanding this exemption, generating assets one megawatt or larger and smaller than 50 megawatts are required to observe the following requirements:

8.4.1. Each facility shall be operated in a safe, reliable, and efficient manner that reasonably protects the public health and safety of California residents, businesses, and the community.

8.4.2. Each facility shall be operated so as to be reasonably available to meet the demand for electricity, and promote electric supply system reliability, in a manner consistent with prudent industry practice.

8.4.3. Each facility shall be operated in a reasonable and prudent manner consistent with industry standards while satisfying the legislative finding that each facility is an essential facility providing a critical and essential good to the California public.

SECTION 13: COMMISSION PROCEEDINGS

13.3.2 Schedule of Fines. The specified Violations and the corresponding fines that may be assessed are set forth in Appendix F to this General Order. The Commission may modify this schedule of fines no earlier than 30 days after providing reasonable notice and affording interested persons with an opportunity to comment.

13.3.4 Contest of Assessed Fine. If a Generating Asset Owner contests the assessment of a scheduled fine, the Generating Asset Owner must file its contest within 30 days of the assessment. In the event of such a contest, CPSD may withdraw the offer of a scheduled fine and proceed with any remedy otherwise available to the Commission; and, in

thereafter sanctioning a Violation, the Commission and CPSD will not be limited by the Schedule of Fines set forth in Appendix F to this General Order.

SECTION 14: SANCTIONS

- 14.4 Not Applicable to Specified Fines. The factors set forth in subsections 14.1, 14.2, and 14.3 do not apply to those specified Violations, set forth in Appendix F, for which a scheduled fine has been assessed against and accepted by a Generating Asset Owner, pursuant to subsection 13.3 of this General Order.

SECTION 15: MISCELLANEOUS PROVISIONS

15.1.1.Periodic Recertifications. For each Generating Asset not exempted under subsections 5.2, 6.2, 7.4, or 8.4, the Generating Asset Owner shall file a recertification that it continues to maintain logbooks as required under sections 5.0 or 6.0 of this General Order and continues to implement a Maintenance Plan and an Operation Plan, as described in Sections 7.0. and 8.0. of this General Order, in a manner that complies with the Generator Maintenance Standards and Generator Operation Standards. The recertifications will be filed every other year pursuant to a schedule to be determined by CPSD.

15.1.2.Notice of Material Change. A Generating Asset Owner shall notify CPSD of (a) any previously unreported deficiency in its operation or maintenance practices (including logbook practices); or (b) any correction or amendment to the Initial Certification, Recertification, Maintenance Plan Summary or Operation Plan Summary pertaining to a Generating Asset that is required because of a material change in the operation or maintenance of the Generating Asset. A material change is a modification of the characteristics, operation, or maintenance of a Generating Asset when that change reasonably could be expected to significantly improve or degrade the reliability, output, or performance of the Generating Asset. The Generating Asset Owner shall file a Notice of Material Change within 30 days of the known occurrence of the material change.

15.3 Oath, Affirmation or Verification. Each formal filing with the Commission (i.e., Certification, Recertification, Notice, Contest, Maintenance Plan Summary, Operation Plan Summary, Updates of Plan Summaries) will be under the written oath, affirmation, or verification of a corporate officer of the Generating Asset Owner.

- 15.8. Duration of Standards. When the Committee ceases to exist pursuant to Public Utilities Code § 761.3(b)(3), the Standards, as on file with the Commission on the date the Committee ceases to exist, will remain effective and enforceable by the Commission under this General Order. The Commission thereafter may amend the Standards in a rulemaking proceeding and enforce the Standards as amended, all in exercise of its responsibilities under the California Constitution, Public Utilities Code, and this General Order.
- 15.12 Effective Date. This General Order is effective on the third day following the mailing of the Commission's decision adopting this General Order. The initial Commission decision adopting this General Order was mailed May 7, 2004, and the General Order became effective May 10, 2004. Changes to this General Order are effective on the third day following the mailing of the Commission's decision adopting those changes. This includes changes regarding Generator Maintenance Standards and Generator Operation Standards (Sections 7.0, 8.0, Attachment D and Attachment E, plus related parts in Sections 2, 3, 4 and 15).

APPENDIX C: LOGBOOK STANDARDS (HYDROELECTRIC ENERGY)

This is the same as Appendix F to GO 167 in D.04-05-018, but it is moved to Appendix C to be parallel with the structure of the GO.

APPENDIX F: FINES FOR SPECIFIED VIOLATIONS

This was Appendix E to GO 167 in D.04-05-018, but is moved to Appendix F to be parallel with the structure of the GO:

APPENDIX F: FINES FOR SPECIFIED VIOLATIONS

Violation	Fine
1. Failure to file a formal document at the time or in the manner required by this General Order. These documents are Initial Certification, Recertification, Notice of Material Change, Maintenance Plan Summary, Operation Plan Summary, Update to Maintenance Plan Summary, and Update to Operation Plan Summary.	\$1,000 per incident <i>plus</i> \$500 per day for the first ten calendar days the filing was late and \$500 for each day thereafter.
2. Failure to maintain specific documents as required by this General Order. These documents are Maintenance Plan, Operation Plan, Logbook (Thermal), and Logbook (Hydroelectric).	\$5,000 per incident.
3. Failure to respond to an Information Requirement set forth in Section 10.0 of this General Order.	\$1,000 per incident <i>plus</i> \$500 per day for the first ten calendar days the Information Requirement was not satisfied after being requested and \$1,000 for each day thereafter.
4. Negligent submission of inaccurate information in response to an information request under Section 10.0 of this General Order.	\$2,000 per incident <i>plus</i> \$500 per day for the first ten days the inaccuracy was not corrected and \$1,000 for each day thereafter.
5. Repeated violation of any requirement listed in this schedule.	200% of the fine that would be imposed for a first-time violation.

(END OF APPENDIX F)